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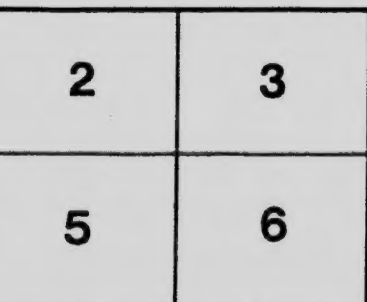
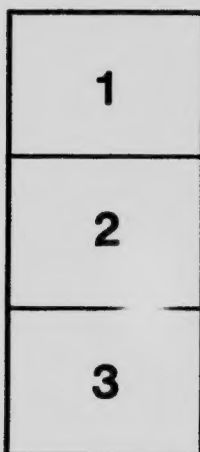
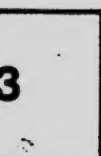
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Ontario Department of Agriculture

CIRCULAR No. 15

TORONTO, SEPTEMBER, 1918

Live Stock Shipping Associations

HOW TO ORGANIZE AND MANAGE

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LIVE STOCK SHIPPING ASSOCIATIONS.

An increasing amount of co-operative shipping of live stock is taking place in Ontario. This pamphlet is issued for the purpose of assisting groups of farmers organizing for this purpose. It is hoped that co-operative shipping will increase and become a permanent factor in the trade. As these Shipping Associations prove their usefulness and become permanent perhaps a more thorough basis of organization will be necessary. The following suggestions, however, will be found useful for Clubs and other groups starting in this work. Successful Live Stock Shipping Associations both in United States and Canada have demonstrated their benefits and some of the marketing questions can best be solved by the producers themselves through organization.

Any group of men desiring to better the marketing of their live stock should survey the conditions of marketing as they obtain in the district and decide whether co-operative shipping is necessary to better such conditions. If organization is decided upon it should be gone into whole-heartedly or not at all.

If co-operative shipping is attempted the following suggestions should be noted:—

(1) Where there is already a business organization of farmers in the district suitable for the purpose, the shipping of live stock should be co-ordinated with such, and a special live stock department of the company established. Care should be taken not to over-organize the district especially with a multiplicity of business organizations.

(2) Some most successful shipping is done by Farmers' Clubs. Here also a special committee should be appointed to handle the business.

(3) Where there are no local organizations through which to work, a special live stock shipping association might be formed.

In any event a simple set of rules such as the following should be adopted:—

SUGGESTED RULES.

LIVE STOCK SHIPPING ASSOCIATION.

Name.

This organization shall be called the.....Live Stock Shipping Association.

Objects.

The object shall be to market live stock in carload lots, and to buy and sell feeds in wholesale quantities.

Members.

Any farmer in.....district may become a member by paying the annual membership fee and agreeing to abide by all the rules governing the association. A member may be expelled for cause by the members in general meeting.

Fee.

Each member shall pay an annual membership fee of \$5.00, which fee may be retained by the association if the member fails to abide by any rule, or rules, of the association. The decision as to retaining such fee, or fees, shall be with the members in general meeting.

Committee.

A committee of three members shall be appointed.....charge of all live stock shipping by the association.

Manager.

A manager shall be appointed by the Committee, a.....shall be paid (a commission of $1\frac{1}{2}\%$ of the selling price of stock sold, or at the rate of.....cents per head of hogs and.....cents per head of cattle).

Duties of Manager.

The manager shall make arrangements for all shipments, weigh and (where possible) grade each member's shipment, load cars, and sell cars under the direction of the committee, and make returns to members.

Shipping Day.

The committee shall designate the shipping days, or if the supply warrants it, regular shipping days. Each member having stock to ship shall notify the manager at least three days previous to the day of shipment as to the number and kind of stock he will have for such shipment.

Delivery of Stock.

Each member shall deliver on shipping day the number of live stock agreed with the manager to be delivered. Each member shall mark his cattle with a mark designated by the manager.

Grading.

The manager shall grade all hogs delivered, according to the following grades:—

Heavys,
Selects,
Lights,
Sows,
Stags.

Each member's cattle shall be marked and sold separately.

Losses.

Any losses not covered by the regular charges shall be met out of the general funds of the association. (One-quarter of one per cent. or as may be decided) of all sales shall be retained by the association as a reserve fund for meeting losses or for other purposes as decided by the members.

Payments to Members for Stock.

The manager shall sell all stock for cash and shall first deduct the total expenses from the total amount received for each shipment. The remainder of the money received for each shipment shall be paid to the members in proportion to the value of each member's shipment. The manager shall make all payments by check as soon as practicable.

Auditors.

The association shall appoint two auditors who shall audit the accounts of the manager as soon as practicable after each shipment.

Changing Rules.

These rules may be amended by a two-thirds vote in the affirmative of the members present at any regular meeting.

Note.—Rules regarding meetings, quorum, voting, etc., may be inserted if thought desirable.

ADDITIONAL SUGGESTIONS.

It should be further noted:—

Capital.

A Live Stock Shipping Association can be successfully handled without capital, if members are willing to wait for returns till after sale is made. This is usually only a few days after shipment, and is no hardship. If cattle or hogs are sold on the stock yards the check in payment is made at the time of sale and returns can be made to members almost immediately. When capital is used, however, to pay members at the time of delivery of their hogs, or cattle, care should be taken to make such payment low enough to provide for all expenses, shrinkage, losses, price charges, etc. After the business has become fully established, an incorporated Association with capital may be formed.

Grading.

It is essential that all shipments of hogs should be graded, and each grade sold separately. This does not mean that only select hogs be shipped, but if inferior hogs be shipped they should be sold as such. A select hog is

one weighing 185 to 220 lbs., of the bacon type and properly finished. An endeavor should be made to prevent members shipping unfinished hogs.

Supply for the Shipment.

Some method should be adopted to hold members to their agreements to supply stock for any shipment. If arrangements have been made to load a car and enough hogs promised for that car, any member or members failing to live up to their agreement should be required to reimburse the organization in some way. The \$5.00 fee suggested is mainly for the purpose of ensuring delivery of stock promised.

The Manager.

It would in many instances be desirable to interest one of the local buyers of the district in this co-operative shipping to obtain his services as manager. The manager should at least occasionally accompany shipments to market.

Payment to Manager.

The manager may be paid a commission, say of $1\frac{1}{2}$ per cent. of the sale price of the live stock, or so much per head on the following suggested scale:—

Cattle over 1,000 lbs.	\$1.00 per head.
500-1,000 lbs.	75c. "
Under 500 lbs.	50c. "
Calves	15c. "
Hogs	10c. "
Sheep	10c. "

The preferable method is perhaps the per cent. basis, as requiring less bookkeeping.

Method of Sale.

The stock may be sold (a) f.o.b. shipping point; (b) weighed off cars; or, (c) fed and watered. Stock may be sold direct to a packing house or through a commission firm on the stock yards. The more desirable method for continuous shipments is to sell through a commission firm, as the stock is sold on a competitive market and usually brings its actual market value on the day of sale.

Fixed Charges.

Fixed charges in the Stock Yards market are:—

- Unloading, \$1.00 per car cattle and hogs.
- Yardage, 6c. hogs and sheep, 25c. cattle, 10c. calves.
- Feed, varies.
- Insurance, 10c. per car.
- Commission, \$8.00 single deck hogs and sheep.
- \$15.00 double deck hogs and sheep.
- \$15.00 per car cattle.
- Inspection charges, cows 50c. each.
- bulls, steers, heifers, 20c.
- hogs, $\frac{1}{2}$ of 1%.

BOOKS, STATEMENTS AND ACCOUNTS.

The value of a simple set of books or records to be kept by the Manager cannot be overestimated. These should be as simple as possible, but complete enough to give all information at any time. The following records are suggested:—

COUNTER BOOK.

Date *Nov. 18, 1918*

Mr. Ed. Black
.....

.....

Bo't of.....

<i>17 Steers, 17980 lbs.</i>	.....
.....	
.....	
.....	
.....	
..... <i>J. W.</i>	.....

This book is easily procured at any book store, is handy for the manager on shipping day, can be carried in the pocket, and retains a duplicate for the manager's records. It is used simply for giving the member a receipt for his stock on shipping day and records the shipper's name, the class and weight of stock delivered, and signed by manager.

RECORD OF

.....Live Stock

Shipment No. 4—Class of Stock

Name	Address	Mark	No.	Class	Wt. at Ship. point	Selling wt.	Shrink- age	Gain	Price per lb.
John Smith.	Guelph R. 4	I	3	cattle	3,060	3,030	30	.....	15 c.
Thos. Jones.	" R. 3	II	5	"	5,175	5,125	50	.....	14 c.
Ed. Black ..	" R. 3	III	17	"	17,980	17,810	170	.....	13 1/2
Totals..	.....	.....	25	.....	26,215	25,965	250	.....	.....

This book may be made from loose leaf sheets ruled for the purpose or in a bound book. Loose leaf sheets may be obtained from any book store. This book gives complete records of details of each member's shipments. At first glance it may seem to require a lot of figuring, but in any event the manager must know these details before proper settlement can be made with the members, and all that is required is that he make a permanent record of the same.

SHIPPING STATEMENT

The members' shipping statement is made from the above records. A sample of shipping statement is found on the last page of this circular.

SHIPMENTS

Shipping Association

—Cattle—25—To whom sold.....

Guelph, Ont. Date, Aug. 16, 1918

Freight	Selling chgs.	Feed	Yardage	Un-load.	Ins.	Mgrs. Com.	Reserve Fund	Total Charges	Net Returns
1.92	\$1.80	.72	.75	.12	.1	8.60	\$1.13	\$8.85	\$445.65
3.20	3.00	1.20	1.25	.20	.2	4.00	1.90	14.77	702.73
10.88	10.20	4.08	4.25	.68	.7	13.60	6.45	50.21	2,354.14
16.00	15.00	6.00	6.25	1.00	.10	20.00	9.48	73.83	3,502.52

Manager, JOHN WILSON.

Audited Aug. 20, 1918, by Thomas Anderson, John Williams.

RESERVE FUND ACCOUNT

Reserve Fund Account				
Date	Deposits	Expenditure	To Whom Paid	Remarks
Aug. 1st.....	\$10.60	.....	.....	
" 9th	8.80	\$6.50	D. Johnston....	For injury to cattle in transit.
" 16th.....	12.25	.....	.....	
" 23rd	14.00	26.00	.....	1 dead hog in car load.

There are inevitable losses connected with the shipping of live stock, and provision should be made to meet such losses by the Association as a whole. In auditing this account the auditor should require a resolution of the directors (or members) covering each expenditure.

In conclusion, the Department will assist groups of farmers in the marketing of their live stock, especially with putting them in touch with conditions and the trade at the central markets. Because of the existence of central markets, and of the conditions on these markets, the co-operative shipping of live stock is not only comparatively easy, but if adopted generally over the Province would give a better tone to the trade and would give the individual producer greater confidence and justice in the sale of his live stock.

SHIPPING STATEMENT

.....LIVE STOCK SHIPPING ASSOCIATION
Shipping Statement

Guelph, Ont., Aug. 16th, 1918.

Name of Shipper—John Smith
Address — Guelph, R.R. No. 4

Shipment No. 4

No.	Class of Stock	Mark	Wt. at Shipping Point	Selling Wt.	Price	Returns
3	Cattle	I	3060	3030	15c.	\$454.50
					Total....	\$454.50

Charges deducted.....

Freight.....	\$1.92
Selling chgs.....	1.80
Feed	.72
Yardage	.75
Unloading	.12
Insurance	.1
Mgr. Comm.....	2.40
Res. Fund	1.13
Total.....	\$8.85

\$8.85

Balance due.....\$445.65

Enclosed find check for this amount.

JOHN WILSON,
Manager.

This statement is given to each member who ships when his check is forwarded. The manager should always make such payments by check instead of cash, so that his returned checks are receipts for payment and can be verified by the Auditors.

